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C O N F I D E N T I A L PANAMA 001440

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TAGS: [PREL](#) [PGOV](#) [KCRM](#) [KJUS](#) [PM](#)
SUBJECT: PANAMA: CABINET RESIGNS, PEDRO MIGUEL GONZALEZ
MAY BE GIVEN CABINET JOB

Classified By: Ambassador William A. Eaton. Reasons: 1.4(b)
and (d)

Summary

¶1. (C) President Torrijos, entire cabinet composed of fourteen ministers resigned on the afternoon of August 27. Torrijos will now be free to accept and reject resignations as he reorganizes his cabinet. This sudden mass resignation is not only the culmination of months-long rumors of a cabinet shuffle, but may also be designed by Torrijos to resolve the political fate of National Assembly Deputy Pedro Miguel Gonzalez, who is also a U.S. federal fugitive wanted for the 1992 murder of U.S. serviceman Zak Hernandez. Torrijos might offer Pedro Miguel Gonzalez (PMG), a &minor8 ministerial position as an alternative to PMG's election as President of the National Assembly, First VP and FM Samuel Lewis told Ambassador on August 25. End summary.

Cabinet Resigns; Torrijos Free to Reorganize

¶2. (U) Following a lunch hosted by Minister of the Presidency Ubaldo Real, Panamanian media reported that Torrijos, entire 14-member cabinet had submitted its resignations. Torrijos is now free to reorganize his cabinet by accepting or rejecting the resignations that have been presented to him.

Lewis, Views on Torrijos, Political Challenges

¶3. (C) During a meeting with Ambassador on August 25, Lewis spoke at length about the political challenges faced by Torrijos within the governing Democratic Revolutionary Party (PRD) because of the public controversy about the candidacy for President of the National Assembly of Pedro Miguel Gonzalez, who is wanted in the U.S. for the cold-blooded 1992 murder of U.S. serviceman Zak Hernandez. Public speculation about USG unhappiness with PMG's candidacy had limited Torrijos' room to maneuver within the party to find a replacement candidate, Lewis said. Lewis asserted that Torrijos had made a strategic blunder by opening up the field for self-nominations for the Assembly Presidency. Once PMG

announced his candidacy and began consolidating his support, Lewis explained, Torrijos was boxed into a dilemma. That dilemma, Lewis said, was manageable until the public speculation gained momentum about USG pressure to block PMG's candidacy. Now, Lewis said, many within the PRD were beating their chests about sovereignty and the need to "stand up to the gringos." While Lewis confided that he was still 99 percent sure Torrijos could avoid PMG's election as Assembly President, his options were more limited. One option, he said, was to appoint PMG to head a &minor8 ministry vacated during the upcoming Cabinet reshuffle.

Ambassador Underscores U.S. Concerns About PMG

¶4. (C) Ambassador reiterated to Lewis the strong feelings in the U.S. about elevating a cold-blooded assassin of a U.S. soldier -- who is a fugitive from U.S. justice -- to a position of leadership in the PRD-led National Assembly. While he could understand President Torrijos' internal party dilemma, Ambassador said that the appointment of PMG to a ministerial position would cause many in the U.S. to question the true intentions of an otherwise friendly government. Such a U.S. reaction would not be helpful, but furthermore would be particularly unconstructive as the U.S. Congress prepared to deliberate on the U.S.-Panama Trade Promotion Agreement (TPA).

The Cabinet Shuffle

¶5. (C) Lewis told Ambassador on August 25 that one scenario being considered is for all of the Cabinet members to submit their letters of resignation to the President, who would then pick and choose which of the letters to accept. Lewis said that he had no intention of leaving the Foreign Ministry until after the intra-party elections in March 2008. Lewis did not plan to be a candidate for internal PRD posts, but was actively supporting Housing Minister Balbina Herrera, who, he said, was consolidating her support. After these elections, the campaigning for the primaries would begin in earnest, and he would join in the competition. However, Lewis told Ambassador that he would take advantage of every possible opportunity now to be visible in every corner of the country to enhance his visibility domestically. This weekend, for example, he rode a horse in a festival in the Panama City suburb of Juan Diaz and tossed out the first ball in the Panama-Japan baseball tournament.

¶6. (C) Among those ministers being considered for replacement are:

-- Ubaldino Real Wants to Step Down &For a while:8
Torrijos, close friend and confidant, the Minister of the Presidency, Lewis reported, asked to step down from the Cabinet "for a while." Notoriously thin-skinned, Real has bristled at public and private whispers of his involvement in corruption. He also suffers from poor health, allegedly related to stress.

-- Camilo Alleyne Out: Minister of Health Alleyne had been roundly criticized for the death of over 100 Panamanians poisoned by medicines laced with diethylene glycol imported from China. A somber Alleyne was departing Lewis' home as Ambassador arrived after Lewis had delivered to him the bad news about his impending replacement. Lewis told Ambassador that Alleyne's principal concern was avoiding legal prosecution after he lost the immunity conveyed by his ministerial position.

-- Reynaldo Rivera Wants Out: Minister of Labor Rivera faced calls for his resignation by the leftist labor union SUNTRACS after the recent deaths of two union members. Lewis told Ambassador that Rivera asked to leave the Cabinet.

-- Miguel Angel Canizales Out: Minister of Education

Canizales had also been persistently criticized for poor performance and inaction in resolving Panama's decaying educational system. Furthermore, his inability to control students and faculty from regularly disrupting classes and blocking off major thoroughfares with sometimes violent protests put him in a weak position.

-- Ruben Blades Wants To Go: Minister of Tourism Blades, not shy about telling everyone who will listen how much he hated his job, wanted to return to recording music and acting.

Comment

17. (C) A Cabinet shake up is long overdue. Given President Torrijos' usual hand-wringing over difficult decisions (or most decisions, for that matter), the U.S. will avoid public comments for now that might force his hand in ways that might further aggravate the situation. If, however, PMG is appointed as a minister or elected President of the National Assembly, the U.S. cannot remain silent regarding the facts of PMG's outstanding arrest warrant and the crimes for which he continues to be wanted in the United States. Were Torrijos to move PMG to the Cabinet, Torrijos would no longer have any plausible deniability that PMG's ascension to the head of the legislature was due to the independent actions of an independent branch of government, but rather would taking this fugitive from justice into his own cabinet; in short, Torrijos could be seen as intentionally harboring a U.S. fugitive. End comment.
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